

## Professional Ethics

### Module 2: Mitigating Ethics Risk and Conduct Risk

Term	Definition
<b>Accountability</b>	The obligation of individuals and organizations to take responsibility for their actions.
<b>Code of Conduct</b>	A set of guidelines that outlines acceptable behaviors and ethical practices within an organization.
<b>Conduct Risk</b>	The risk of unethical behavior leading to harm to clients, markets, or the organization itself.
<b>Ethics Policies</b>	Formalized rules and procedures designed to promote ethical behavior in a workplace.
<b>Fraud Diamond</b>	An extension of the Fraud Triangle that adds capability as a fourth element to understand fraud risk.
<b>Fraud Triangle</b>	A model describing the three factors that contribute to fraudulent behavior: opportunity, pressure, and rationalization.
<b>Mitigating Ethics Risk</b>	The process of identifying, managing, and reducing potential ethical issues in an organization.
<b>Organizational Ethics</b>	The principles and standards guiding behavior and decision-making within a company.
<b>Transparency</b>	The practice of being open and honest about business activities, fostering trust and accountability.
<b>Whistleblowing</b>	The act of reporting unethical or illegal activities within an organization.